

**SUMTER COUNTY BOARD OF COMMISSIONERS**  
**EXECUTIVE SUMMARY**

**SUBJECT:** Formal Renewal of Flexible Spending Account Service Agreement with Professional Benefit Administrators, Inc.

**REQUESTED ACTION:** Approval of Service Agreement Renewal

☐ Work Session (Report Only)    **DATE OF MEETING:** 12-08-09  
☒ Regular Meeting                      ☐ Special Meeting

**CONTRACT:** ☐ N/A

Vendor/Entity: Professional Benefit Administrators, Inc.

Effective Date: 12-08-09

Termination Date: 3-31-11

Managing Division / Dept:

Risk Management

**BUDGET IMPACT:**

☒ Annual  
☐ Capital  
☐ N/A

**FUNDING SOURCE:**

Group Health Fund

**EXPENDITURE ACCOUNT:**

501-596-591-4520

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**HISTORY/FACTS/ISSUES:**

Flexible Spending Accounts (FSA) allow employees to pay "Pre-Tax Dollars" for dependent care and eligible out-of-pocket health, dental, vision, and other health care related expenses, not covered under the health care plan for themselves and their qualified dependents. Any remaining balance in the participant's FSA at the end of the covered plan period, shall not be carried over. The participant shall forfeit all rights to any such balance. All forfeitures under this plan shall be used to offset any losses with respect to any reimbursement paid to terminated participants in excess of the premiums paid and to reduce the cost of administration for the plan.

Professional Benefit Administrators, Inc. is our current Administrator of our 2009 Flexible Spending Account for Medical Spending and DCAP (Dependent Care Assistance Program). We are presently paying a Monthly Administrator Fee of \$4.12 per participating employee and a Monthly Debit Card Fee of \$2.06 per participating employee.

The renewal for the 2010 plan year includes a 3% increase, as provided for in the current agreement, for both the Monthly Administrator Fee (new rate \$4.24) and the Monthly Debit Card Fee (new rate \$2.12). With these fee increases and an anticipated increase in participant enrollment of 15% (from 109 to 125) the estimated annual expense for the 2010 calendar year will be \$9,540.

These services will be put out for bid for the 2011 plan year.

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